

Message Text

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ACTION AF-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-01 INR-10
L-03 NSAE-00 NSC-05 PA-01 SP-02 SS-15 ICA-11
IO-13 TRSE-00 OMB-01 EB-08 COME-00 /086 W
-----084042 232016Z /45

R 231140Z AUG 78
FM AMEMBASSY PRETORIA
TO SECSTATE WASHDC 2245
INFO AMCONSUL DURBAN
AMCONSUL CAPE TOWN
AMCONSUL JOHANNESBURG

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E.OM 11652: N/A
TAGSC PGOV, PINT, SF
SUBJECT: NEW DISCLOSURE IN INFORMATION SCANDAL

REF: CAPE TOWN 1128 AND PREVIOUS

1. SUMMARY AND COMMENT: ACCORDING TO PRESS REPORTS, AND
OFFICIAL OF THE FORMER DEPARTMENT OF INFORMATION WAS FOR SIX
MONTHS SIMULTANEOUSLY A SALARIED DIRECTOR OF THE DEPARTMENT
AND SHAREHOLDER IN A FILM COMPANY COMMISSIONED TO DO WORK
FOR THE DEPARTMENT. THE FORMER SECRETARY OF INFORMATION,
DR. ESCHER RHOODIE, REPORTEDLY SAID THE FILM COMPANY WAS A
FRONT FOR THE DEPARTMENT, BUT A DAY LATER DENIED MAKING
ANY SUCH STATEMENT. THE NEW DEVELOPMENTS WILL UNDOUBTEDLY
FURTHER DAMAGE MINISTER OF INFORMATION, DR. CONNIE MULDER,
WHOSE CHANCES OF SUCCEEDING PRIME MINISTER VORSTER AS TOP
LEADER IN SA POLITICS ALREADY ARE CONSIDERED BY SOME OBSERVERS
SERIOUSLY WEAKENED AS RESULT OF EARLIER SCANDAL
DISCLOSURES. END SUMMARY AND COMMENT.

2. THE STAR CLAIMED AUGUST 18 THAT DAVID OOSTHUIZEN WAS
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A FULL-TIME OFFICIAL OF THE DEPARTMENT OF INFORMATION
WHILE SERVING AT THE SAME TIME AS A DIRECTOR OF VISIORAMA,
A COMPANY AWARDED A CONTRACT BY THE GOVERNMENT FOR A SERIES
OF FILMS. THE STAR STATED THAT ITS INVESTIGATION FOLLOWED
RECENT CHARGES BY D.J.N. MALCOMMESS, NRP MP FOR EAST LONDON
NORTH, THAT AN EMPLOYEE OF THE DEPARTMENT WAS ALSO PRIVATELY
EMPLOYED. IN RESPONSE TO THE CHARGE, MINISTER OF INFORMATION,

CONNIE MULDER, REPLIED THAT IF NAMES AND DETAILS WERE PROVIDED, HE WOULD ORDER A FULL INVESTIGATION.

3. THE PAPER STATED THAT OOSTHUIZEN RESIGNED FROM THE DEPARTMENT LAST AUGUST. HE REPORTEDLY BEGAN AS "SALARIED DIRECTOR" FOR VISIORAMA IN FEBRUARY, 1977. ALSO, THE REGISTERED OFFICE OF THE COMPANY WAS ALLEGEDLY CHANGED TO OOSTHUIZEN'S HOME ADDRESS.

4. A FELLOW DIRECTOR OF VISIORAMA, MATTHYS HEYNS, REPORTEDLY ACKNOWLEDGED THE ACCURACY OF THE STAR'S INFORMATION, BUT PROFESSED TO SEE NOTHING WRONG WITH THE SITUATION. HE REPORTEDLY REFUSED TO COMMENT ON ANY POSSIBLE CONFLICT OF INTEREST IN AN OFFICIAL RECEIVING SALARY FROM BOTH THE GOVERNMENT AND A PRIVATE COMPANY.

5. AN OFFICIAL OF THE NATIONAL FILM BOARD, WHICH GENERALLY AWARDS GOVERNMENT FILM CONTRACTS, WAS QUOTED AS SAYING THE DEPARTMENT OF INFORMATION CONTRACTS WERE OFTEN AWARDED TO COMPANIES SPECIFIED BY THE DEPARTMENT. ACCORDING TO HIS STATEMENT, VISIORAMA HAD COME "VERY MUCH TO THE FORE" IN THE LAST YEAR" IN RECEIVING CONTRACTS.

6. THE SUNDAY AFRIKAANS NEWSPAPER, RAPPORT, CARRIED A HEADLINE STORY IN ITS AUGUST 20 EDITION WHICH QUOTED DR. ESCHER RHOODIE, FORMER SECRETARY FOR THE DEFUNCT DEPARTMENT, LIMITED OFFICIAL USE

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AS SAYING VISIORAMA WAS ENGAGED IN SECRET OPERATIONS AS A FRONT COMPANY FOR THE DEPARTMENT. RAPPORT SAID THE EXPENDITURE OF SOME 60,000 RAND, THE MAJORITY OF WHICH ALLEGEDLY WENT TO OOSTHUIZEN, IS BEING INVESTIGATED. SINCE SECRETS WERE INVOLVED, DR. RHOODIE REPORTEDLY SAID HE COULD DISCUSS THE MATTER NO FURTHER. ALLEGEDLY, HE ALSO SAID THAT THE OFFICE OF THE STATE ATTORNEY WAS NOT PURSUING THE CASE.

7. MONDAY'S PRESS, GIVING WIDER, INSIDE PAGE REPORTING TO THE NEW DISCLOSURES, REPORTED THAT RHOODIE NOW DENIES SAYING THE COMPANY WAS A FRONT. THE CITIZEN QUOTES HIM: "NOT A SINGLE CENT OF GOVERNMENT FUNDS WAS USED TO ESTABLISH IT." RHOODIE IS ALSO REPORTED TO HAVE CLAIMED NO KNOWLEDGE OF POSSIBLE PAYMENTS TO OOSTHUIZEN FROM VISIORAMA WHILE HE WAS STILL EMPLOYED WITH THE DEPARTMENT OF INFORMATION, ANOTHER DIRECTOR OF VISIORAMA, VAN ZYL ALBERTS, WHO ALSO IS MANAGING DIRECTOR OF THE CITIZEN AND THE POST MAGAZINE, REPORTEDLY ALSO DENIED ANY COMPANY PAYMENTS TO OOSTHUIZEN BEFORE HE LEFT THE DEPARTMENT. ACCORDING TO RHOODIE, HE KNOWS NOTHING OF ANY 60,000 RAND AND BELIEVES THE INVESTIGATION OF DOUBLE SALARIES TO HAVE BEEN FINISHED BEFORE HE LEFT THE DEPARTMENT.

8. RHOODIE DID CONFIRM, AS THE CITIZEN AND RAND
DAILY MAIL STATE, THAT "MR. OOSTHUIZEN DID WORK FOR US THAT
WAS CLASSIFIED. SINCE ALL WORK CARRIED OUT BY THE DEPARTMENT
WAS BEING INVESTIGATED BY GENERAL HENDRIK VAN DEN BERGH,
AND INFORMATION CONCERNING THIS WORK CAME UNDER THE OFFICIAL
SECRETS ACT, I COULD NOT COMMENT".

9. OOSTHUIZEN HAS NOT COMMENTED ON THE NEW ALLEGATIONS.
NOR HAS MULDER MADE ANY STATEMENT REGARDING AN INVESTIGATION.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLITICAL SITUATION, PARTY LEADERS
Control Number: n/a
Copy: SINGLE
Draft Date: 23 aug 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978PRETOR04926
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780345-0508
Format: TEL
From: PRETORIA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780833/aaaabaxx.tel
Line Count: 126
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 18c5305d-c288-dd11-92da-001cc4696bcc
Office: ACTION AF
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 CAPE TOWN 1128
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29 apr 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1647753
Secure: OPEN
Status: NATIVE
Subject: NEW DISCLOSURE IN INFORMATION SCANDAL
TAGS: PGOV, PINT, SF
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/18c5305d-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014